

REGULATORY FLEXIBILITY ANALYSIS
FOR SMALL BUSINESSES AND LOCAL GOVERNMENTS
DEPARTMENT OF TAXATION AND FINANCE

1. Effect of rule: The adoption of comprehensive rules with regard to the computation of tax under Article 9-A of the Tax Law for corporations that are partners in partnerships or members of limited liability companies that are treated as partnerships under Article 9-A is applicable to all businesses, large and small. The amendments will provide guidance concerning the tax computation for corporate taxpayers subject to the Business Corporate Franchise Tax imposed by Article 9-A of the Tax Law that are partners in partnerships. We do not have information to estimate the number of these partners that might be small businesses with any degree of certainty. Local governments are not affected.

2. Compliance requirements: No additional time is needed in order to comply with this rule.

3. Professional services: No additional professional services beyond those already employed by a small business in preparing its taxes will be required to comply with this rule.

4. Compliance costs: See Part 4 of the “Regulatory Impact Statement for this rule. There would no variation in costs for small businesses.

5. Economic and Technological Feasibility: This rule does not impose any adverse economic impact on small businesses or local governments.

6. Minimizing adverse impact: The rule does not distinguish between affected small businesses and other types of businesses. The rule places no additional burdens on small businesses or local governments.

7. Small business and local government participation: The following organizations have been given an opportunity to participate in the rule's development: the Association of Towns of New York State; the Deputy Secretary of State for Local Government and Community Services; the Division of Small Business of Empire

State Development; the National Federation of Independent Businesses; the New York State Association of Counties; the New York Conference of Mayors; the Small Business Council of the New York State Business Council; and the Retail Council of New York State. In addition, drafts of this rule were sent to the following: the Business Council of New York State, the New York State Bar Association, the Association of Bar of the City of New York, the New York City Department of Finance; and the Department's working group on the taxation of corporate partners, as mentioned in the "Regulatory Impact Statement".